

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Operations Management

Title	Monitor the performance of suppliers
Code	LOCUOM407B
Range	This unit of competency is applicable to sea freight, air freight, and express operators. Practitioners should be capable to monitor effectively the quantity and quality of items and tools provided by suppliers according to supplies contracts.
Level	4
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Basic requirements for monitoring suppliers</p> <ul style="list-style-type: none"> • Understand the concepts of contract, its components and the rights and obligations of both parties • Understand the mechanism for evaluating, inspecting and controlling the quality of items and tools • Understand the minimum requirements for the items and tools, and relevant quality inspection • Understand the contract terms agreed between the company and vendors, and the rights and obligations of both parties • Understand the management and operation of vendors, such as their management structure, financial position, supply process and quality management system • Master the major methodologies and techniques for evaluating and analysing the items and tools • Understand the procedures and criteria for evaluating the quality of items and tools • Master the methodologies and techniques used in basic statistics and quantitative analysis • Master the methodologies, channels and techniques for collecting and reporting information and data • Understand the functions of penalty clause of the contract and their implementation procedures <p>2. Monitor the performance of suppliers</p> <ul style="list-style-type: none"> • Formulate the plan of accessing the items and tools according to contract terms and provisions • Establish appropriate mechanism and process to evaluate and collect the data of the quality of items or tools • Evaluate and collect the data of the quality of items or tools and report them to superiors at intervals and at stages according to contract terms and provisions • Receive departments' complaints and feedback on the items and tools • Recommend awards or penalties for vendors according to contract terms and provisions, and their performance • Participate in formulating the criteria for assessing the competency standards of vendors • Conduct spot checks and investigation • Understand and compare their service standards if a number of suppliers are involved • Compile reports to illustrate the performance of suppliers to the management; make appropriate recommendations and follow up the matters • Examine whether suppliers have implemented the recommendations for service improvement, and report to superiors

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Assessment Criteria	The integrated outcome requirements of this unit of competency are: <ul style="list-style-type: none">• Capable to monitor effectively the performance of suppliers according to the procedures and requirements of the company and to ensure that the quality and quantity of the items and tools and the delivery schedule comply with the contract; and• Capable to compile reports to illustrate the performance of suppliers to the management according to actual situation; to make appropriate recommendations and follow up the matters
Remark	